



Macquarie Goodman

Macquarie Goodman Group Quarter Update – Q1 FY07





Overview

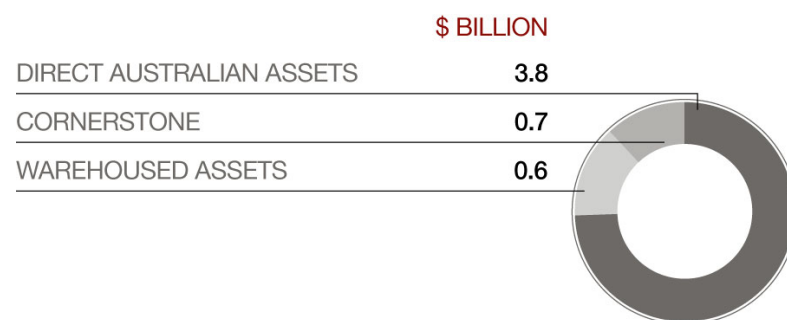
- Market conditions remain favourable. Stable property market performance supported by robust capital markets.
- All business units performing strongly:
 - Intensive management of property portfolio generating high occupancy (98%) and rental growth (+3% on new leases).
 - Substantial growth in AUM up 13% to \$32.1 billion.
 - Active development projects of \$2.9 billion with over \$0.4 billion commenced.
 - On track to deliver >\$1.5 billion pa production.
 - Of the work book, 61% is for third party managed funds.
 - Most cornerstone investments outperforming against benchmarks.
 - Increase in warehoused investments to facilitate third party fund growth (+ \$0.5 billion in September quarter).



Property Investment

Total Property Investments

→ Total property investment portfolio of \$5.1 billion



Changes since 30 June 2006:

- Australian Direct Assets - stable
- Cornerstones - stable
- Warehoused Investments - increased by \$0.5 billion

(\$ billion)	Direct Assets	Warehoused Assets	Cornerstone Investments	Total Investments	Development WIP (MGQ B/S)
Australia / NZ	3.8	0.1	0.4	4.3	0.4
Asia	-	-	0.2	0.2	-
UK / Europe	-	0.5	0.1	0.6	0.3
Total	3.8	0.6	0.7	5.1	0.7



Property Investment (cont.)

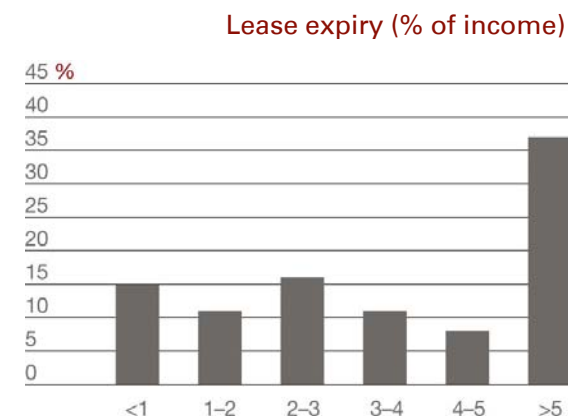
Direct Property Investments

- Core Australian portfolio performing strongly across all metrics
 - 98% occupancy rate – in line with long term average.
 - 4.9 years weighted average lease term – in line with long term average.

Region	% of Portfolio	WALE June 2006 YEARS	WALE Sep 2006 YEARS	Occupancy June 2006 %	Occupancy Sep 2006 %
New South Wales	81	4.9	4.8	98	98
Victoria	14	5.6	5.6	99	98
Queensland	4	5.0	4.8	100	100
Other	1	6.1	5.9	100	100
Total	100	5.0	4.9	98	98

Lease Expiry

- Stable lease expiry profile.
- 39% of income expiring beyond five years.





Property Investment (cont.)

Leasing Activity

- Active leasing delivering consistent performance of core portfolio.
- Leased 59,820 sqm of existing space (\$7.0 million net annual rental).
- 75% retention rate.
- Average lease term on new deals of 5.6 years.
- Average rental increases of 3.0% on new lease transactions.

Region	Area SQM	Net Annual Rental \$M	Average Lease Term YEARS	Increase on Passing Rental %
New South Wales	27,535	4.8	4.3	2.1
Victoria	30,117	2.0	5.8	4.2
South Australia	N/A	N/A	N/A	N/A
Queensland	2,168	0.2	5.0	11.6
Total	59,820	7.0	5.6	3.0



Property Investment (cont)

Warehoused Investments

- Continue to utilise capacity of balance sheet to seed existing and new fund initiatives.
- \$0.6 billion in warehoused investments
 - \$0.5 billion in UK/Europe.
 - \$0.1 billion in New Zealand.
- UK – Logistics / Office Portfolio
 - Acquired September 2006 for \$0.4 billion (GBP 179.4 million).
 - Portfolio of 3 office parks (46%) and 5 logistics properties (54%).
 - Expected divestment primarily into new UK Fund in 2007.
- Akeler European Business Parks
 - Three property assets \$0.1 billion.
 - Potential transfer into third party fund.
- European Logistics development WIP
 - For transfer into European Logistics Fund.
 - Currently \$0.3 billion in various stages of development .



Property Investment (cont)

Cornerstone Investments

- Provides alignment of interests between MGQ and investors.
- Supplements direct investment income.
- Total investment of \$0.7 billion (up 68% from FY05).
- Strong performance from investments:
 - Average annual income return 6.7%.
 - Average Total Return 5.8% (September quarter).

		MGP	A-REIT	MGWF	MGHKWF	ABPP
MGQ Investment	A\$M	163	161	196	99	95
Cornerstone Share	%	29	7	30	17	6**
Annual DPU growth #	%	3.4	8.6	NA	NA	NA
Annualised Yield*	%	8.0	6.6	7.2	5.3	5.0

latest period vs previous corresponding

* Based on opening security value

** Pre £100m underwriting for March '07 capital raising



Management Services

Performance

- Solid operational and financial results for all key funds
 - Strength of full suite and in house service offering.
 - Active asset management delivering underlying property performance.

Fund	Occupancy %	WALE YEARS	Retention %	Performance Since Inception*	Relative to Benchmark
A-REIT	96	6.1	NA	33.2%	Outperform
MGP	98	5.6	87	15.2%	In Line
MGWF	99	8.2	99	13.9%	Outperform
MGHKWF	96	2.1	81	11.4%	Outperform
ABPP (UK)	94	10.9	NA	29.7%	Outperform

* Annualised, to September 2006



Management Services (cont)

Growth

- Strong organic AUM growth of 13% for the quarter
 - Total AUM of \$32.1 billion.
- Underlying AUM driven by growth in existing funds
 - \$2.9 billion increase in AUM.
- Positive performance of European platform in first 9 months
 - 31% growth in AUM since acquisition.

Fund	Jun-06 (\$ billion)	Sep-06 (\$ billion)	Variance (\$ billion)	Variance (%)
MGQ	4.2	4.8	0.7	16%
A-REIT	2.4	2.4	0.0	2%
MGP	0.8	0.8	0.0	6%
MGWF	1.2	1.4	0.2	17%
MGHK	0.8	0.9	0.1	13%
UK Wholesale	6.2	8.1	1.8	29%
UK Mandates	12.9	13.6	0.7	6%
Total	28.5	32.1	3.6	13%



Management Services (cont)

European platform evolution

- Establishment of core business space wholesale products offerings across Europe is progressing well.
- Products and current positioning are as follows.

Fund Offering	Location	Status	Size	Comments
Business Parks	UK	Established market leader	£1.8bn (post Akeler)	Positioned to double in size through organic growth. Akeler transaction expanded dev't pipeline to £2.2bn GDV
Business Parks	Continental Europe	Established	€0.3bn	Undertaking advanced DD on €150m acquisitions and developments. Focused on balancing development / investment mix
Logistics	UK	Accumulating portfolio	£0.2bn	5 completed seed assets plus development land projects held or underway. Further assets under DD. Aiming for CY07 launch once critical mass achieved
Logistics	Continental Europe	Currently being marketed	€0.3bn	Closing December 2006. Several additional acquisitions / developments in DD



Management Services (cont)

Asia Pacific platform

- Australia
 - Continue to capitalise on extensive MGQ development pipeline.
- New Zealand
 - Continue to capitalise on MGQ development pipeline and the assets currently warehoused by MGQ (eg Eden Commercial NZ\$150 million).
 - Successfully raised NZ\$96m in November 2006 to fund acquisitions from MGQ, on-market transactions and to replenish debt capacity. Achieved critical mass, look for value add opportunities.
- Singapore
 - Grow development pipeline within A-REIT (now S\$0.2 billion underway, c7% of assets).
 - Capitalise on existing opportunities with JV partner.
- Hong Kong / China
 - Achieve critical mass at \$1 billion and look to explore value added opportunities.
 - 174 people in the region (167 in HK and 7 in PRC).
 - Grown Shanghai office to continue investment, development and management opportunities.
- Japan
 - Capitalise on the existing platform with increased staff numbers (4 by January 2007, plus support from Sydney Office) to explore all opportunities.

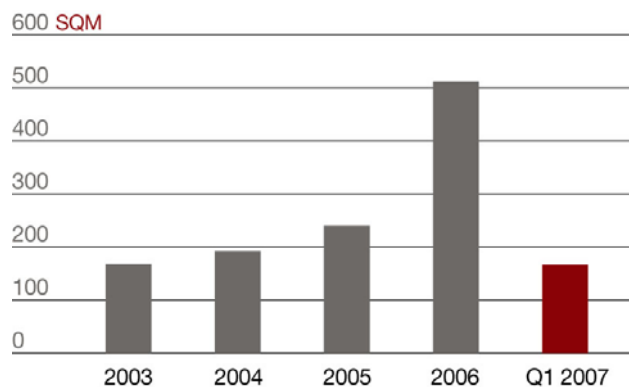


Developments

Development Completions

- Development completions of \$261 million during the quarter.
 - 9.1% weighted average yield on total project cost.
 - 8.7 years weighted average lease term.
 - 51% completed on balance sheet, 49% completed for third party managed funds.
 - Large quarter coming up in December (over \$0.5bn).

MGQ Development Completions (NLA)





Development (cont)

Development Commitments and Workbook

- New development commitments of \$407* million during the quarter
 - 8.9% weighted average yield.
 - 7.3 years weighted average lease term.
 - 39% on MGQ balance sheet, 61% for third party managed funds.
 - December quarter started very strongly.

- \$2.9 billion of new product currently under development
 - 61% (\$1.8 billion) under development in third party funds.
 - Production rate in excess of A\$1.5 billion pa.

Work In Progress By Region	On Balance Sheet End Value \$M	Third Party Funds End Value \$M	Total End Value \$M	Third Party Funds % of total
Australia/New Zealand	321	629	951	66
Asia	42	169	211	80
UK / Europe	763	972	1,736	56
Total	1,127	1,771	2,898	61

* Excludes \$0.3 billion acquired in Akeler



Outlook

→ AUM on track to deliver strong growth

- European Logistics Fund launch (Dec '06).
- Australian Wholesale Fund programmed equity call due (Dec '06).
- UK Business Parks capital raising (Mar '07).
- European Business Park capital raising (Mar '07).
- UK Logistics Fund launch (2007).
- Hong Kong Wholesale Fund potential call on capital (2007).

→ \$2.9 billion of active development projects to deliver >A\$1.5 billion per annum of investment property. Almost \$1.8bn (61%) on behalf of third party funds.

→ Grow investment portfolio through cornerstone investments. Potential to invest c\$0.5 billion in the next quarter.

→ Use balance sheet capacity to warehouse property to facilitate AUM growth. Look to utilise up to \$1 billion as opportunity arises.



Thank you

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